

Approved For Release 2003/11/04 : CIA-RDP69B00369R000200240093-6

STAT **Macmillan, Sandys backed**
CIA's anti-Jagan plot SUNDAY TIMES
23 APR 67

INSIGHT continues the Guiana subversion controversy (Letters, page 12).

AMERICA'S Central Intelligence Agency (the CIA) was working under an agreement with the British Government when it subverted the Jagan government in British Guiana in 1963.

A senior British security officer disclosed this to the Sunday Times this week. He said the understanding was reached under the Premiership of Harold Macmillan, Colonial Secretary Duncan Sandys, and the head and of British security.

Other Cabinet Ministers were not told of the decision. And probably the secret papers were not shown to Harold Wilson on his election in 1964.

Last week, Insight reported that the CIA, operating under the "front" of an international trade union office, dealt a mortal blow to Cheddi Jagan's leftist government by financing a 79-day general strike against it. Control of the colony, now the independent Commonwealth nation of Guyana, passed to the moderate socialist Forbes Burnham, to the right of Jagan.

Last Tuesday, Mr Harold Wilson, questioned in the House of Commons by Labour MPs, said: "You had better ask the Opposition front bench."

On Wednesday, the trade-union organisation which was used as a front, the Public Service International, issued a statement. This stated the truth of the Insight report, but denied that the PSI knew its Guiana office was used for subversion.

PSI is an international union, London-based, of trade

unions operating among public employees. Its statement confirmed that in 1959-60 one of its American affiliates, the Federation of State, County and Municipal Employees, offered to set up on the PSI's behalf a department in Guiana. The PSI did not know that this American affiliate had been penetrated by the CIA.

The Guiana office was ostensibly for "educational activities in under-developed countries." But during the 1963 general strike the Guiana representative of the PSI, Howard McCabe, disbursed around £100,000 in strike pay, apart from energetic advice and assistance. McCabe, nominally seconded from the State, County and Municipal Union, appears in fact to have been a CIA operative.

Last week the PSI said that although its head office sent some money to Guiana for relief of strikers' families as a normal act of trade-union solidarity, "at no time did the PSI suspect that McCabe may have had other funds at his disposal, or that he indulged in activities other than attempts to settle the strike."

Insight's report last week dealt only with the CIA presence in Guianese union affairs. But the British security man we approached last week—as he is still serving, his name cannot be mentioned—said that the CIA were also operating under consular cover in Guiana.

He said that to the best of his knowledge, the agreement under which the CIA were in Guiana was the first one allowing them

to move into a British colony. Although known at first only to Macmillan, Sandys, and the two top security men in Britain, it inevitably became known to a number of British officials in Guiana.

Apart from encouraging industrial action against Jagan, the CIA appears to have had a good deal of success in encouraging politicians to break away from Jagan's party and government. Their technique for financing sympathetic figures was to take out heavy insurance policies for them. The CIA insured one ex-Jagan supporter for 30,000 dollars in 1964.

Clearly, not all the British officials on the spot were happy with what the Americans were doing: they agreed that Jagan and his American wife Janet were in-temperate Marxists, but did not feel that this justified such massive manipulation of the local political scene.

This feeling was strengthened by the fact that the CIA's efforts were worsening the colony's already-severe racial difficulties; the Africans supported Burnham and the Indians supported Jagan, and tension between the two racial groups grew as the CIA levered the two sides further apart. (Eventually, this broke out in bloodshed.)

Our informant indicated that the "guiding spirit" on the British side of the CIA entry agreement was Colonial Secretary Sandys. Mr Sandys, on tour in the Middle East, was not available to comment yesterday.